

TRUMBULL BOARD OF FINANCE
September 16, 2010
MINUTES

CALL TO ORDER:

Chairman Ken Martin, Jr. called the meeting to order at 7:05 p.m. at the Town Hall Council Chambers, Trumbull, Connecticut, and stated that the resolution which is the subject of this meeting is available to the public and may be obtained at this meeting. All those present joined in the Pledge of Allegiance.

Members present and absent were as follows:

PRESENT

Chairman Ken Martin, Jr.
Vice-Chairman Mark E. Smith
William A. Crooks
Andrew Palo
Alternate Perry Molinoff
Tom Tesoro
Alternate Alex Remson
Alternate Dana Misner.

ABSENT

Steven C. Lupien

Also Present: Tim Herbst, First Selectman, Maria Pires, Director of Finance, Dan Nelson, Chief of Staff, Jon Ponzio, Town Treasurer, James Henderson, Internal Auditor, John Marsillio, Public Works Director.

Public Comment: There were 3 members of the public present to speak. (See Attached)

The Chair noted that Alternate Perry Molinoff would be voting at this meeting.

Approval of Minutes - August 12, 2010:

Mr. Crooks moved, seconded by Mr. Smith to approve the August 12, 2010 meeting minutes:

Mr. Palo proposed the following amendments:

Page 1, under Approval of Minutes to read as, “*Mr. **Palo*** moved to amend the June 10, 2010 minutes; seconded by Mr. Smith to read as in the middle of page 1...Investments at Merrill Lynch are mortgage “backed” securities”. (Striking Mr. Lupien and replacing it with *Mr. Palo*).

Page 3, fourth section to read as, “Vote: Motion as amended carried 4-1-1 (Against: Crooks) (Abstention: **Palo**). (correcting the spelling of Mr. Palo’s name from Pala to *Palo*).

Mr. Crooks proposed the following amendments:

Page 4, last paragraph, sentence beginning with State Statute to read as, “ State statute reads that preference **should be given to hiring** a local fire department **member**. This candidate meets that requirement and has been an intern for a year, he is very knowledgeable. (Inserting the words *should be given* and *hiring* and striking the phrase “*needs to come first*” and adding the word *member*. (Ending the sentence, this would result in changing the “t” in the next sentence to a capital “T”)

Page 5, last paragraph the sentence starting with Mr. Leahy was ato read as, "Mr. Leahy was a long time Finance Director for the town of Fairfield, Mr. Leahy consulting for different municipalities specifically mayors and first selectmen in budget preparation. (adding "ing" to the word consult)

Page 6, The final vote Item 08-10-10...Finance 2009-2010 Budget... Transfer from Account 01011000-501101 the sum of \$3,675 to Account 01011000-522201 Services & Fees- Prof. to be corrected to read as, " VOTE: Motion carried 5-1 (Against: **Smith**). (Striking Mr. Crooks and replacing it with Mr. *Smith*).

Ms. Pires proposed an amendment to page 6, under Item 08-10-24, Page 7 under items 8-10-52 & 8-10-53 to read as, "(Refer to schedule attached)". Ms. Pires explained that some of the account numbers are incorrect as well as the amounts, it appears the wrong column was inserted into the item, by attaching the schedule, the accounts numbers and amounts will be corrected.

VOTE: Motion to amend the August 12, 2010 meeting minutes carried 5-0-1 (Abstention: Tesoro)

VOTE: Motion to approve the August 12, 2010 meeting minutes as amended carried 5-0-1 (Abstention: Tesoro)

TOWN TREASURER'S REPORT: Mr. Ponzio Town Treasurer stated that the report that had been sent prior to this meeting to the BoF members included an incorrect number for the prior year interest income; it should read as \$825,000 for the 2009. The projection will be updated periodically, but the update is not reflected in this report. The previous request for prior year data included in the report has been received and so noted.

Rates are stable, still depressed but stable. The TD Bank rate is stable and does not anticipate it going up unless something happens at the federal level The Merrill Lynch Investments rate is high due to the fact that when mortgage backed securities are paid off there is prepayment penalty that we benefit by, the rate includes the prepayment penalty, it appears as interest income but it really is prepayment penalties. Our cash balances are healthy; on Dec. 9 a bond sale was completed with a \$30 million net, the TD Bank balance that shows \$25 million is now \$46 million. Prior to the BANS (Bond Anticipation Notes) and bond sale which took place a couple of weeks ago, the First Selectman, himself and the Director of Finance met with the three credit rating agencies (via conference call) and the Town has received AA+ ratings from all three (3) reporting credit agencies. The bonds were sold at a 20-year composite interest rate of 2.73%; that is the lowest in the state for 2010. It is expected to be a savings of \$250,000 in interest which the Town may benefit from in the current year. There were \$22 million of new bands, but paid off \$15 million of old BANS add that to the \$22-23 million in bonds is how the \$30 million is referenced. The BANS sale of Bond Anticipation Notes approximately \$23 million at an interest rate of .37% for a year. That is approximately \$75,000 of interest per year per, 9 months of borrowing on \$23 million. The BANS will come due in a year. The town does have approximately \$30 million of additional cash. In September the Town paid off \$7 million in principle and interest, bringing the total Grand Total Debt Balance to \$135,715,000 of that \$41,729,000 is sewers and the Golf Course is just shy of \$3 million. The long term debt on the Town's books is \$91 million well below the 10% the bond agencies look at, when you add the sewers back in that number goes right to the 10% so the Town does have to be careful. The rating agencies always ask a lot of questions about the fund balance, and what is happening with the grand list. The Town did receive a very favorable rate. There is an over all concern by the agencies with regard to the economy.

Mr. Ponzio wanted to acknowledge the service of Mr. Henderson the Internal Auditor, Ms. Pires,

the Director of Finance, and Ms. Savo, the Assistant Director of Finance in assisting himself at the TRAIN concert collecting monies. Whenever the town is collecting money, it is his strong belief that town personnel should be involved in collecting and handling the funds, that has not been the case in prior years. Mr. Ponzio commended them for a job well done.

In response to a question from Mr. Palo, Mr. Ponzio stated that the principal piece is not part of the interest.

In response to a question from Mr. Tesoro, Mr. Ponzio stated that all three agencies showed concern for the Grand List's growth in this economy and the unfunded pension, but all three agencies noted that the General Fund was healthy. There was no concern over whether the Town could make payments, cash flow is healthy the collection rate has gone up from 99 to 99.3; the agencies were very pleased to hear that. 3/10ths of a point is significant when you attach a dollar figure to it. The only negative was the concern of Grand List growth in this economy. The sewers and the like-new-renovation of the high school are the projects currently being bonded by the town, the agencies are aware of these projects and as long as things progress economically as they are now, along with the healthy grand list and general fund balance there should be no problem securing the additional bonding to finish those projects. The agencies were more concerned with what is happening right now in town as opposed to what might be happening in the next ten years, meeting the first selectman was a positive.

INTERNAL AUDITOR'S REPORT: Mr. James Henderson, Financial/Accounting Controls Analyst submitted and reviewed with the Board of Finance The Performance Audit of the Trumbull Senior Center. The report given at last month's meeting of certain Town departments will have a follow up report submitted in the future as well; this will allow the departments' time to implement the changes.

The audit report examines program performance and the operations of the Trumbull Senior Center, the criteria selected for the performance audit is established by the *National Institute of Senior Centers*, which represents standards, measures, expected performance, defined business practices and the benchmarks against which performance is evaluated. The audit utilized the nine "Minimum Standards for Senior Centers" of purpose, community, governance, administration, program planning, evaluation, fiscal management, records & reports and facility. Mr. Henderson based his report upon a five (5) day field study. It is Mr. Henderson's recommendation that the Senior Center work towards accreditation.

The Chair noted that after reviewing the report it is the sense that overview and management would benefit the center. Mr. Henderson stated that it his intention to give this report to the Senior Commission, they are scheduled to meet next Friday, September 24, 2010.

In response to a question from Mr. Smith, Mr. Henderson that some of the events that take place at the Senior Center are paid for by the participants, they vary in cost. Many of the events are fundraisers. The funds go into their own senior center enterprise account; the balance is approximately \$13-\$14,000. This account balance report is given to the Senior Citizen Commission on a monthly basis. The Performance Audit of the Trumbull Senior Center report includes a recommendation of more reporting to the Senior Citizen Commission and better updates given as to where the money is going. Mr. Smith agreed that accountability to the Town is important. Ms. Pires stated that the account is the Senior Citizen Commission Special Agency Account. Mr. Henderson stated the account balance is \$13,990.90.

Mr. Palo commended Mr. Henderson for a job well done; the report includes policies & procedures which will encourage success and growth. Mr. Henderson stated that he has suggested by-laws and a Mission Statement be put in place.

Mr. Molinoff spoke in favor of the report, there are numerous suggestions, creating a policies and procedures manual, training, fire safety procedures, and software upgrades. The Director is running

the canteen, questioning how all of these could possibly be implemented while running the canteen. Mr. Henderson stated that much of the initial work is done or has been started it needs to be consolidated and put into one place/manual. The Director needs to be up front and to delegate some of the tasks to volunteers that are used at the Senior Center. There will be a follow up with the Director to help and there will be discussion at the Senior Citizen commission meeting of next week.

In response to Mr. Crooks' question, Mr. Henderson stated that he would be reviewing the report with the administration; First Selectman Herbst has already received a copy of the report. Mr. Crooks stated that the report includes staffing concerns, which would come under the administration's purview. Mr. Henderson stated it is intention to be present and to submit this report at the Senior Citizen Commission meeting on Friday, September 24, 2010.

TABLED DISCUSSION ITEMS:

- **Concert Funding**

Mr. Tesoro commended the administration on a successful concert. Mr. Tesoro questioned why legal counsel was consulted instead of opening a dialogue with the Chairman of the BoF. First Selectman Herbst stated the reason was two-fold.

1. The lead Town attorney delineated how this money was different from the general fund.
2. Legal counsel was consulted based on how the town concerts were funded in the past and to make sure the Town was on solid footing before proceeding.

Mr. Tesoro stated his question is based upon a process issue and spoke in favor of the BoF being a partner with the administration.

Mr. Crooks requested an end accounting of the concert including the gross and net amounts. First Selectman Herbst agreed.

In response to a question from Mr. Smith, First Selectman Herbst stated that at the beginning stages of planning the concert the administration was not aware of a special agency account and began research on how the concerts were funded in the past, their research showed that past practice was that a town contractor, the owner of Mark IV provided a \$50,000 interest free loan every year to the town for the summer concert planning. First Selectman Herbst stated that the administration was not comfortable accepting an interest free loan without town approval by the Town Council or the Board of Finance and proceeded to see how the town could provide its own seed money for the summer concert. Based on past practice is why legal counsel was sought, moving forward it would not continue. The first opinion came from Town Attorney Walsh, and Attorney Nicola researched performance bonds which would be separate and apart from the general fund. The town will be in a strong enough position next year to use their own money for the concert.

In response to a question from the Chair, First Selectman Herbst explained that there was not enough time to go to the BoF, in order to secure the band the Town needed to act very quickly as their popularity escalated. Per a letter dated August 11, 2010 from Town Attorney Nicola, it was the opinion of counsel since the bond money had not been held in the general fund it did not need board approval.

Mr. Tesoro reiterated that a simple request would have sufficed. If the funding is being drawn from an account it should have been put back in the general fund, because that is not the

intention of those funds. First Selectman Herbst stated that this is the 7th concert the Town has had and had never seen the board question the source of the concert funding. First Selectman was not comfortable with the previous source of the concert funding. Mr. Tesoro stated that that process should be followed and approval should come from the BoF.

- **WPCA Assessment Reduction of \$2.1 million**

WPCA Members present are as follows: Jeanine Lynch, Chairman, Laura Pulie, Ennie De Vita, Karen Egri, Paul Kallmeyer and Jack Goncalves.

(Mr. Smith left the meeting at 8:10 p.m.)

In response to a question from Mr. Tesoro, Ms. Lynch stated legal counsel was sought in order to find out their options, the members unanimously voted to find out if their proposed action was legal. Ms. Lynch and Ms. Pulie have given full disclosure to their fellow members of the WPCA and the residents of the town that they are residents of the Jog Hill area of the project.

(Mr. Smith returned at 8:12 p.m.)

They had asked WPCA counsel whether there were any ethical or legal prohibitions for those members to take part in the vote. The answer was no and therefore took part in the vote, if had been yes they would have recused themselves. Mr. Tesoro spoke against the legal advice given. Ms. Pires explained that the 59 account is used for the construction of the sewer system. The construction of the sewer system is paid by bonding; the home owner is assessed to pay off the bond.

In response to Mr. Tesoro, Mr. Kallmeyer stated there are two parts to the question regarding the purpose of the 59 account, its first function is that it is an account in which all the bond money flows; the second function of the 59 account is that every assessment includes \$500 which funds a savings account for future capital expenses. There is a second account the 29 account that the user fees go into the 29 account only. None of the user fees are part of the 59 account. The night of the vote the WPCA was told there was \$2.6 million in the account. Ms. Lynch stated that the two accounts need to be taken together as there is money in both accounts which could be used for this reason. An independent account on the second account will be completed by December 31, 2010. there were no funds used that were public works' funds, by statute they were not allowed.

Ms. Lynch stated that there are four (4) main reasons for the assessment reduction:

1. Extraordinary cost of cross country lines (\$2.5 million).
2. Extraordinary number of Change Orders-a quantity of 21 totaling \$1.6 million and supplemental Change orders totaling \$1.3 million; a grand total of \$2.8 million in change orders.
3. Cost of public works' improvements at \$1 million.
4. Bonds had to be serviced; the prior board did not take any action on approvals of assessments. The new board members stepped in January and had to act upon the assessments.

In response to a question from Mr. Tesoro, Ms. Lynch stated that the WPCA is an independent government authority with their own fund; historically the 59 account has never come before the BoF or the Town Council. Given the prior 4 factors explained and never having come before the BoF or the Town Council as past practice and authorized by statute they did consult legal counsel on the action they were considering.

In response to the Chair, Ms. Lynch stated that there was an opinion letter issued by Attorney Nicola and could provide a copy to the Chair.

First Selectman Herbst stated that two members of the WPCA have been the point of discussion and some people have implied that that they may have acted inappropriately based on the fact they reside in the area of the assessment reduction. The two members consulted legal counsel before

they took any action on the matter. Attorney Nicola reviewed the Trumbull Town of Ethics. First Selectman Herbst noted that Section 6 of the Trumbull Code of Ethics governs conflicts of interests; it provides a general statement in paragraph A and provides specific principles in paragraph B. In paragraph B, sub-paragraph 2a there is a specific exception, which protects members of boards and commissions, appointed and elected officials of the Town. It reads as, "There is a specifically excluded from the definition set forth in paragraph 1, a financial gain or advantage, incident to program or project in a nature of a public work or improvement which financial gain or advantage is common to or shared by a class of residents of the town, which class is restricted only by geographical proximity to such public work or improvement, nor shall an official be prevented from voting upon the annual Town budget", this is a specific exception in the Town Code of Ethics. Commissioner Lynch and Pulie are homeowners as part of a class of 732 homes that were affected by this sewer project. This is a public works improvement, installing a sanitary sewer project. The notion that they acted inappropriately is misconstrued; it is just as when a board member votes on the town budget, it is a class of people. First Selectman assured the board that the WPCA members acted appropriately. They consulted the WPCA legal counsel and the Town Counsel was consulted, they referred to the Code of Ethics, (there is a specific exception that allows them to do what they did).

Ms. Pulie distributed the estimate of cost for the cross country line at approximately \$2.5 million. Cross country lines are necessary to convey the sewage; they do not go in front of people's houses, it collects sewage from Hurd Road to Strobel, there is not a pump station in that extensive area. Pump stations are usually \$250-\$350,000. No other section has had cross country lines this long.

In response to a question from Mr. Smith, Ms. Pulie agreed that due to gravity the cross country lines did not need a pump station and the cost of a pump station is \$250-350,000 based on a cost of 2005, current bids are at \$400,000. Mr. Crooks stated the annual operational (electrical costs) cost of a pump station per the Director of Finance was \$15,700 per pump station.

Mr. Kallmeyer stated that if a pump station is not needed it just is not built, the previous WPCA board knew the assessment was high and had asked what could be done, all were concerned, after reviewing the numbers there were a number of reasons why this section was a high cost. Mr. Kallmeyer did suggest the 59 account; the thought of the board was that they could not burden the taxpayers with this. Some of the \$2.5 million is part of the project, there were other reasons why the assessment was high, but some of the \$2.5 is work that is benefiting the residents. \$1.2 million was a number he was comfortable with and would have subtracted the \$400,000 pump station; then the balance of \$750-\$800,000 would have been the number they would have taken out of the 59 account. At the next meeting they were at 2.1 million.

In response to a question from Mr. Crooks, Mr. Kallmeyer stated there would never have been a pump station in this portion of the sewer project, it was simply a matter of determining a cost for the residents, this was their project and they were responsible for some of the project, there was a need to do something for the residents. Over the years as an administrator Mr. Kallmeyer had been frustrated that the WPCA could not use money out of their account, and was part of the unanimous vote to seek legal counsel on the subject to find out what their rights were, not they have gotten the right, Mr. Kallmeyer does not think it is right and they should have had the checks and balances that are necessary for approval. The Chair stated that number seemed arbitrary and spoke in favor of the WPCA getting the legal opinion.

Mr. Crooks state that 3 members supported a \$1,680,000 and 3 members which supported \$2,080,000 which is \$400,000 higher. The vote was unanimous and all supported the decision. Mr. Kallmeyer corrected Mr. Crooks' statement that he had motioned to reduce the \$2,080,000 by

\$400,000 but the motion failed, the motion on the \$2,080,000 passed but Mr. Kallmeyer had voted against it.

Mr. Crooks stated that he had never seen a repair out of the 59 account. Mr. Kallmeyer stated that supplemental(s) came out of the 20 account, because it has a 6-month reserve in it.

Mr. Molinoff stated that there seems to be pattern forming and similar to the thought process of the earlier discussion on the concert funding. Mr. Molinoff spoke in favor of the WPCA members having recused themselves instead of seeking counsel.

Mr. Tesoro stated that in his opinion not one of the WPCA members did anything improper and spoke in favor of when considering anything that may be controversial to seek out a partner in the process.

In response to a question from Mr. Palo, Ms. Pulie explained the handout distributed at this meeting coding as follows: the orange lines indicate areas sewerer; green line indicates cross country lines; there was over 10,000' of cross country.

Mr. Crooks stated that he attended a Charter Revision meeting and had requested that commission consider writing language specifically for the 59 and the 20 account activity and transactions that they would need BoF and Town Council approval.

First Selectman Herbst stated that there is a problem that the Charter does not have language which clearly delineates how the WPCA spends the money, that is why legal counsel was sought and that they had to rely on past practice.

BONDING RESOLUTIONS:

1. Mr. Smith moved, and the motion was seconded by Mr. Molinoff, to read the title and Section 1 of the following proposed resolution in their entirety and to waive the reading of the remainder of the resolution, incorporating its full text into the minutes of this meeting.

Upon vote the ayes and nays were as follows:

AYES

Chairman Ken Martin, Jr.
Vice-Chairman Mark E. Smith
William A. Crooks
Andrew Palo
Alternate Perry Molinoff
Tom Tesoro

NAYS

(None)

VOTE: Motion carried unanimously 6-0.

RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$25.54 MILLION FOR THE PLANNING, ACQUISITION AND CONSTRUCTION OF SANITARY SEWERS, PHASE IV, PART B, CONTRACT IV (THE "Project") BY INCREASING THE APPROPRIATION AND BOND AUTHORIZATION \$3.0 MILLION, AND RATIFYING AND CONFIRMING ALL PRIOR PROJECT BOND RESOLUTIONS.

Section 1. The Town of Trumbull has to date adopted three bond authorizing resolutions to finance the planning, acquisition and construction of the Sanitary Sewers, Phase IV, Part B, Contract IV,

(the "Project") consisting of an \$850,000 bond authorizing resolution adopted by the Town Council on March 2, 2009, an additional \$610,000 bond authorizing resolution adopted by the Town Council on May 4, 2009, and an additional \$25.54 million bond authorization on September 8, 2009 (collectively the "Prior Resolutions"). The total of the appropriations and bond issuance authorizations of the Prior Resolutions is \$27.0 million. The Prior Resolutions are hereby ratified, confirmed and adopted. The sum of the appropriations and bond issuance authorizations for the Project after taking into account the additional \$3.0 million of this amendment is \$30 million.

Mr. Smith moved that said resolution be adopted as introduced and the motion was seconded by Mr. Molinoff.

Ms. Lynch, Chairman of the WPCA was present.

Ms. Lynch stated at their last special meeting Mr. Solomene confirmed that he had come before the BoF previously and requested \$30 million. Ms Lynch indicated that they are here today asking for items that should have gone on the original bonding request and are back up to the original \$30 million. Mr. Crooks stated that he was on the board as well as Mr. Tesoro at the time of Mr. Solomene's \$30 million request. The BoF directed him to go out to bid, when the bids came back they came to \$27 million, it now appears that \$2 million is being filled in. Ms. Lynch stated that the \$27 million was pure construction costs, no contingencies, no bonding costs which are usually at 2% and specifically no design costs. The \$961,000 is the only new cost for Tighe and Bond.

In response to a question from Mr. Smith, Ms. Lynch stated that in the prior projects the town had sufficient staffing to handle the smaller projects, with respect to the Jog Hill there were only two (2) inspectors.

Mr. Marsilio stated that there are two issues at hand one is who will assume the costs and the second is what the role of the consulting engineers will be? There is a need for oversight, review controls need to be in place; that is what the Jog Hill section lacked. In response to a question from Mr. Smith, Mr. Marsilio agreed there is conflict in confidence and/or manpower resulting in a need to go outside the town department, there is also value engineering service as a result of going outside the town department. Hundreds of thousands of dollars in savings has already been identified by this firm. Mr. Marsilio stated that the investment of \$961,000 would be money well spent; town resources would not be available for value engineering. This is major construction; professional people are needed they will be going through 28' of rock. Ms. Lynch stated that this portion of the project is 40-45% complete and have only approved \$115,000 in change orders due to the intense scrutiny of the WPCA at each and every meeting and Tighe & Bond being on the job.

Ms. Pulie stated that there had been \$670,000 saved on one item, the trench drain if compacted correctly would not need the item associated with this cost.

Mr. Tesoro questioned why this would not be charged back to the public works budget? Mr. Marsilio stated it is not his job to determine where the funding comes from. In response to a question from Mr. Smith, if the \$961,000 were taken from the Public Works budget, it would have to be a supplemental; it is not in the current budget.

Mr. Tesoro suggested the pay as you go approach vs. bonding.

First Selectman Herbst stated that a letter had been circulating stating that these costs would increase residents' of contract 4 assessments. The assessments have not been set yet, the statement that these costs will drive up the assessments is disingenuous to make at this point because it is an on-going construction project. Ms. Lynch just spoke to the value engineering savings, the town is already paying for 25% of the costs of Tighe & Bond under the 75-25% ratio with assessments bringing the cost to the project to \$740,000 and a savings of \$650,000, and this is on only one item to date. The assessments

can not be set yet until the project is complete. First Selectman Herbst stated there will be a meeting with the residents of North Nichols, the WPCA, with Mr. Marsilio and his staff, our Sewer Administrator, and Tighe & Bond to explain the process.

Mr. Smith stated that it should be clearly communicated to each district that a cost is not established until the end of a project, that during the process the addition of the \$961,000 could bring even greater savings. Ms. Lynch stated that this is not only a monetary issue but it is also a quality control issue. Mr. Smith states that there are many people who can not afford the assessments. First Selectman Herbst agreed stating that all are concerned.

Mr. Tesoro moved, seconded by Mr. Crooks to amend the resolution by reducing the \$3.0 million by \$961,000 bringing the amount to \$2,039,000.

Mr. Tesoro noted that the amendment would be with the understanding it would be a “pay as you go”) Mr. Kallmeyer confirmed for Mr. Crooks that there is a small area of town which will never be sewerred. Mr. Crooks stated that if this is taken from the general fund that it would not be fair to those that would be paying for this that will never have sewers.

Mr. Crooks and the Chair stated that the funding should come from the 59 account or the 20 account. Mr. Tesoro agreed.

Ms. Pires stated the funding would affect two (2) fiscal years.

Mr. Crooks spoke in favor of voting on the full \$30 million.

Attorney Fasi stated that amendment is to reduce the resolution by \$961,000 to an increase amount of \$2,039,000

Upon roll call vote the ayes and nays were as follows:

AYES

Tesoro

NAYS

Ken Martin, Jr.
Mark E. Smith
William A. Crooks
Andrew Palo
Perry Molinoff

VOTE: Motion to amend Failed 1-5 (Against: Martin, Smith, Crooks, Palo and Molinoff).

Upon roll call vote the ayes and nays were as follows:

AYES

Chairman Ken Martin, Jr.
Vice-Chairman Mark E. Smith
William A. Crooks
Andrew Palo
Alternate Perry Molinoff
Tom Tesoro

NAYS

(None)

VOTE: Motion carried unanimously 6-0.

The Chair thereupon declared the motion carried and the resolution adopted.

The Chair called a recess at 9:42 p.m.

The Chair called the meeting back to order at 9:54 p.m.

BONDING RESOLUTIONS continued:

2. Amendment to the BOE Emergency Project Bonding Resolution to reallocate the remaining funds of approximately \$300,000 for the Hillcrest pool improvements. (See Attached).

Moved by Mr. Smith, seconded by Mr. Tesoro.

Mr. Nelson stated that in July 2010, Senator Musto applied for a grant in the amount of \$375,000 for upgrades to the Hillcrest pool, based upon the grant, options were addressed; there was a previous bond to address Hillcrest issues and another project at the time. If the state grant money is accepted by the town there is a stipulation in place that pool use would have to be open to non-residents. The BoE is concerned and the resolution was before the Town Council on Monday, September 13, 2010, but made a recommendation to postpone until the BoE could address this issue.

In response to a question from Mr. Crooks, Mr. Nelson stated the funds could be allocated any way the board would want. Mr. Crooks spoke in favor of waiting on considering this until it is known what the whole picture is.

Ms. Pires stated that this item represents a reallocation of unspent funds bonded in 2006. In response to a question from Mr. Tesoro, Ms. Pires stated that there are no other unspent funds that she knows of from other bonded projects; she will research and report back to the BoF.

Mr. Tesoro agreed with Mr. Crooks that he would be against releasing funds until a plan was in place.

VOTE: Motion Failed 0-6 (Against: Martin, Smith, Crooks, Palo, Molinoff, and Tesoro)

Moved by Mr. Crooks, seconded by Mr. Tesoro to take 09-10-01 out of order.

VOTE: Motion carried unanimously 6-0.

FISCAL YEAR 2010-11 SUPPLEMENTALS:

9-10-01 Charter Revision 2010-2011 Budget...Appropriate from the Available General Fund the sum of \$15,000 to Account 01010300-522202 Services & Fees-Prof Legal Services.
Moved by Mr. Smith, seconded by Mr. Molinoff.

Judge Chiotta was present. Judge Chiotta noted that he had sent a letter to the BoF outlining the reasons the Charter Commission counsel was necessary. The \$180 per hour is a very good rate, once the Charter Revision Commission was established in April, which started a very strict timeline as outlined by the state. The commission has already gone through the Charter once and has reached out to the boards and commissions, they are now sifting through the ideas, and if a change is made they need to confirm that they are not in any conflict with state statutes.

Ms. Pires stated in response to Mr. Tesoro's question the town attorneys are paid monthly based on a contract, there is no money in that account for this counsel.

Mr. Crooks stated it would be possible to transfer from one account to another it would have to be a supplemental.

Mr. Crooks spoke to "one-time" accounting agreed should be accounted for in the right place, the Charter Revision account. Mr. Molinoff stated that it would make for clean accounting to have all of the attorneys' fees in one account not creating individual accounts for one time events.

First Selectman Herbst spoke in favor of legal counsel for Charter Revision based upon his experience on Planning & Zoning and the need for independent counsel during the review and rewriting of the P&Z Regulations.

VOTE: Motion carried 5-1 (Against: Molinoff)

By unanimous consent the Board of Finance took 9-10-02 out of order.

9-10-02 Health Dept. 2010-2011 Budget... Appropriate from the Available General Fund the sum of \$11,970 to Account 01013800-581888 Capital Outlay AED for six of the schools.
Moved by Mr. Crooks, seconded by Mr. Tesoro

Ms. Patrice Sulik, Health Director was present. Ms. Sulik indicated to the Chair that the reasons why the town does not provide the AED's for the private schools in town had been discussed before, it had been determined by the previous administration that the town could not be responsible for maintaining items not on town owned property. The town would be liable of misuse in a non-town owned building. Protocols, procedure control are in place in a town building not a non-town owned building. Ms. Pires stated that the town covers all buildings with insurance; The town's insurance does not cover the private schools.

In response to Mr. Palo, Ms. Sulik explained that the costs of the AED's are not part of the current Health budget, moving forward it will part of the proposed budget. Six units are what is necessary at this time to get into the schools and will then move forward from there.

VOTE: Motion carried unanimously 6-0.

TABLED ITEMS:

8-10-04 Public Works 2010-2011 Budget...Appropriate from the Available General Fund to Account 01030100-578802 Equip/Main Repair Boiler at Public Works Garage.
Moved by Smith, seconded Mr. Crooks.

Mr. Marsilio stated that the six (6) bids ranged from \$5,962 to \$31,250, the second low bid submitted was non-responsive the bids came in on Tuesday; the bids have not been vetted yet. Obviously there is some disparity between the bids. Mr. Marsilio recommended the fourth low bid that was responsive at \$18,202.47. Mr. Marsilio had the sense that the low bid of \$5,962 had missed something. The next two bidders did not provide bonds which makes them non-responsive.

Moved by Mr. Crooks, seconded by Mr. Smith to amend 8-10-04 by inserting the sum of \$18,203.

VOTE: Motion to amend carried unanimously 6-0.

VOTE: Motion as amended carried unanimously 6-0.

8-10-05 Senior Center 2010-2011 Budget...Appropriate from the Available General Fund to Account 01050600-581888 Capital Outlay boiler at Senior Center.
Moved by Mr. Smith, seconded by Mr. Palo.

Mr. Marsilio sated that the low bid was \$23,560 which was non-responsive; the responsive low bidder was \$31,988. The original estimate was \$40,000. Mr. Marsilio recommended the bid of \$31,988.

Moved by Mr. Crooks, seconded by Mr. Smith to amend 8-10-05 by inserting the sum of \$31,988.

VOTE: Motion to amend carried unanimously 6-0.

Mr. Palo noted that it typically takes 60 days from the order date to receive the equipment suggesting that there may be a need for a special meeting of the Town Council.

Mr. Crooks suggested that the First Selectman take this item as a request to the Town Council for a special meeting.

Mr. Molinoff suggested an account be set up for repair of boilers.

VOTE: Motion as amended carried unanimously 6-0.

FISCAL YEAR 2010-11 TRANSFERS:

9-10-03 Transfer 2010-2011 Budget...Transfer from Account 01013800-501116 Town Hall Contingency the sum of \$3,000 to Account 01015600-522205 Clean Energy – Prog. Exp.
Moved by Mr. Smith, seconded by Mr. Molinoff.

Mr. Molinoff stated that this item is a 2005 Town commitment to purchase energy from clean renewable sources by the year of 2010; the contract came at a cost of in at \$1,584. In response to a question from Mr. Smith, Mr. Molinoff explained that 20% of the town's electricity will come from a clean renewable source; it has to be a non-polluting and renewable source.

Moved by Molinoff, seconded by Mr. Smith to amend 9-10-03 to a sum of \$1,600.

VOTE: Motion to amend carried unanimously 6-0.

VOTE: Motion as amended carried unanimously 6-0.

DISCUSSION ITEMS:

Mr. Tesoro moved seconded by Mr. Smith to table the DISCUSSION ITEMS until next month:

- Updated Revenue for 2009-10
- Budget to Actual Expenditure Report for FYE 6/30/2010 will follow after the Town Council meets on September 13, 2010, to reflect the supplemental appropriation and the transfer from contingency even though passage of time is not until 15 days later.

VOTE: Motion to postpone Discussion Items to next month carried unanimously 6-0.

Mr. Tesoro stated that a position paper stating the BoF's position on some items for Charter Revision should be discussed and drafted soon, Mr. Tesoro had proposed a draft previously. Mr. Crooks stated that Charter Revision is meeting on 09/23/10. Mr. Tesoro will e-mail the original draft to the BoF members; comments could then be added and then considered by the BoF.

ADJOURNMENT

There being no further business to conduct, a motion to adjourn was moved by Mr. Tesoro and seconded by Mr. Palo and unanimously adopted, and the meeting adjourned at 10:50 P.M.

Respectfully submitted,

Margaret Mastroni
Acting Clerk, Board of Finance

ATTACHMENT
PUBLIC COMMENT

There were 3 members of the public were present to speak.

Mr. Martin Shapiro of 36 Dogwood Lane:

Mr. Shapiro stated that there were 2 issues on the agenda; the WPCA Assessment reduction of \$2.1 million and the increase of bonding of the North Nichols area. There have been three (3) new members since January who have made significant changes to the WPCA and past practices. In the past bonding for the North Nichols and Jog Hill areas the BoF had been approved based upon the town doing most of the inspections, if more was needed that would have come from the department of public works. The WPCA is now requesting the bond resolution be raised by a million dollars for Tighe and Bond, that \$1 million over the course of a year is going to be spent for making recommendations and overview. The recommendations and overview should be done by the Town's engineering staff. The money should come from the public work's present year's budget. Mr. Shapiro spoke against the \$2 million given to the Jog Hill residents; that money was taken out of the \$500 assessments paid by residents. Mr. Kallmeyer is the only member of the WPCA who has shown fiscal responsibility, last December's meeting minutes show that Mr. Kallmeyer asked for an audit of the 59 account. The WPCA does not know how much money is in the 59 account, Mr. Kallmeyer has repeatedly asked for an audit of this account. The WPCA has spent \$2.08 million of the account without knowing what the balance in the account is. Mr. Shapiro respectfully requested that the BoF turn down this request, not because it is not needed, but until the WPCA shows fiscal responsibility the BoF should hold back on this item.

Ms. Lisa Labella requested that the BoF make a commitment to post both the agenda and the packets on the website, this is a responsibility of the town for the residents and a step forward in transparency. With regard to the \$300,000 Hillcrest Pool improvements, there seems to be significant changes in the scope and funding for the project from last week when Mr. Nelson presented to the BoE. Mr. Ciocci presented a report submitted from the Education Committee of the Town Council, that report had included approximately \$1.4 million in repairs; the \$375,000 grant was discussed. It appears there is no comprehensive plan for the repairs. Ms. Labella requested that the BoF be hesitant to approve the funds until a plan in place. Ms. Labella requested that the BoF be in support of and approve the funding for the AED's for the schools.

Cindy Penkoff of 101 Columbine Drive was present.

Ms. Penkoff had sent a letter to the BoF and wanted to reiterate with regard to the engineers that have been hired for the North Nichols project. The main concern is that a million dollars is being added to this project, not all of the residents in this project are going to benefit from that \$1 million. That contract was done; the work had begun before the engineers were hired; that cost would be fixed into

what all of the residents will be paying. Ms. Penkoff spoke against all of the residents paying for the additional \$1 million. The additional oversight is necessary, but the North Nichols residents should not be responsible for this cost.